

\* Using IT as a medium of e-Procurement.

**MoU with Government of Goa**

184. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether Government have signed a memorandum of Understanding with Government of Goa as regards devolving more powers to the local bodies;

(b) if so, what are the powers proposed to be given to Zilla Panchayats, Municipal Corporations, Municipalities and Village Panchayats in the State; and

(c) the other details of the MoU?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKARAIYAR):  
(a) to (c) A copy of the Joint Statement of Conclusions signed by CM, Goa and the Union Minister of Panchayati Raj on 12 April, 2006 at the conclusion of the latter's Panchayati Raj tour of Goa is attached at Statement (*See* below). It may be noted that the Statement covers only Panchayats, which fall within the Union Minister's remit, not Municipalities, which do not. The Statement was reviewed at a meeting in Goa between the Union Minister, on the one hand, and the Chief Minister and Minister of Panchayati Raj, Government of Goa, on the other on 19 October, 2006. Key additional points agreed between them are set out below:

- (i) Every efforts will be made to issue and Activity Map by mid-December and, if required, complete the exercise after the Panchayat elections.
- (ii) Regarding creation of a Panchayat Sector Window in the State Budget for each line Department concerned, it was agreed that the Goa Government would attempt to commence this exercise at the Revised Estimate 2006-07 stage. In any case, the Panchayat Sector Window would definitely be opened in BE 2007-08.
- (iii) Line department staff must be deputed to ZillaA/illage Panchayats, as appropriate, along with the devolution of functions and finances as stipulated in the Activity Map as otherwise implementation will suffer. Progressively, as vacancies occur, such staff may be directly recruited to the Panchayat.

- (iv) The Goa Government will continue its efforts to introduce IT-based accounting systems to track the transfer of funds to Panchayats through banks. It was agreed that efforts would continue to dovetail such major transfers with the creation of IT infrastructure at the block and village level.
- (v) Strengthening Standing Committee at both the Zilla and Village levels to ensure that decision-making in ZPs and VPs involved all ward members, and there is no concentration of powers in the hands of the Sarpanch/Adhyaksha.
- (vi) To this end, all ward members should be fully trained to develop a wider circle of decision-making in the PRIs on issues like primary education, community health, nutrition, Mid-day meals, women and child welfare, besides the construction work already being undertaken.
- (vii) Goa Government will consider creating Ward-level bodies and Mahila Sabhas so that Gram Sabhas are made more meaningful and decision-making is more participatory.
- (viii) To utilize experienced elected representatives more effectively, it was noted that the Government of Goa is considering extending the period of reservation to two or more terms

#### ***Statement***

*Conclusions arrived at after the visit of the Union Minister for Panchayati Raj and Youth Affairs and Sports to Goa on 11 and 12 April, 2006 regarding Devolution to Panchayats in Goa*

1. Pursuant to the 73rd Constitutional Amendment Act 1992, Goa enacted the Goa Panchayat Raj Act, 1994, repealing the Goa Panchayat Raj (Ordinance) 1994 and the Goa Daman and Diu Village Panchayats Regulations, 1962. Under this legislation, Panchayats at the two levels, namely, District Panchayats and Gram Panchayats have been constituted and entrusted with duties and responsibilities, with a view to enable them to function as institutions of self-government as envisaged under Part IX of the Constitution.

2. To accelerate and sustain development, there is a need to strengthen Panchayats at the Gram and Zilla levels so that they function in fact as Institutions of self-government in the letter and spirit of Article 243G of the

Constitution. Strengthening Panchayati Raj for the building of a vibrant Goa is a noble cause that needs to be urgently pursued.

3. The Government of Goa has taken several steps in the direction of empowerment of Panchayats at the Village and District levels. These include the following:

- (a) The Village and Zilla Panchaya have been vested in law with powers and responsibilities as listed in Schedule I & II of the Goa Panchayat Raj Act 1994, which covers activities relating to all items listed in the Eleventh Schedule of the Constitution.
- (b) The State Government has established the State Election Commission for superintendence and control of the elections to Panchayat Raj Institutions. The State Election Commission has conducted elections to Gram Panchayats in November 1997 and January 2002 and to Zilla Panchayats in February 2000 and March 2005.
- (c) Steps taken by the State Government in the direction of strengthening the finances of Panchayats and Schemes formulated in this regard are as follows:
  - (i) To encourage Village Panchayats to meet their requirements through raising their own resources, unconditional grants for taking up any developmental work are released to Village Panchayats, matching the local taxes collected by them.
  - (ii) Grants are given to financially weaker Gram Panchayats whose annual income is less than Rs. 10 lakhs to pay salaries to Village Panchayat staff. Financially weaker Panchayats are also released grants for undertaking developmental works.
  - (iii) Loans are provided to Village Panchayats for taking up remunerative and income generating Village infrastructure projects.
- (d) In order to enable elected representatives of Panchayats to better perform their responsibilities monthly salary and allowances are paid to all elected and co-opted representatives of Zilla and Gram Panchayats.
- (e) The State Government has provided to each Gram Panchayat in the State, a full-time Secretary whose salary and allowances are paid by the State Government.

- (0) Under the Goa Panchayat Raj Act, 1994, Gram Sabhas have been empowered to consider and approve the Annual Budget, the Annual Administrative Report and Action Plan prepared by their Gram Panchayats. Gram Sabhas are also empowered to determine the priorities of works and schemes.
- (g) District Planning Committees have been constituted in accordance with Article 243ZD of the Constitution.
- (h) Most recommendations made in the report of the First State Finance Commission have been accepted by the State Government. The Second State Finance Commission has been set up in 2005, to review the financial positions of PRI's and to make necessary recommendations. Its report is awaited.
- (i) In order to provide an impetus to cleanliness of villages, the State Government has formulated the Goa Rural Garbage Disposal Scheme 2005, under which it meets the capital expenditure for setting up garbage disposal sites for clusters of Village Panchayats and provides them with related accessories such as garbage bins.
- (j) The State Government has adopted accounting formats devised by the Comptroller and Auditor General of India for maintenance of accounts by Gram and Zilla. Panchayats. In this regard necessary training has been imparted to the officials concerned of the Panchayats. Accounts of Gram Panchayats will be maintained in the prescribed formats from 2006-07 onwards.
- (k) In order to improve service delivery, promote better Citizen-Government interface through transparency and efficiency and improve decision making processes within Panchayats. The State Government is undertaking the following projects:
  - (i) With Rs. 1 crore assistance obtained from the Ministry of Panchayati Raj, Government of India, e-Governance at the Panchayat level, using the 'Infogram' software prepared by the National Informatics Centre (Goa) is being implemented in 150 Gram Panchayats in the first instance.
  - (ii) Village level databases are being created through the National Informatics Centre, so as to facilitate micro-level planning.
- (l) The Goa Institute of Rural Development and Administration (GIRDA) conducts awareness building programmes for elected Panchayat

representatives and functionaries on important Acts and Rules and poverty alleviation Schemes.

4. The challenges before Goa in sustaining the pace of reform will require effective support and close coordination with the Central Government. In this endeavour the Government of Goa and the Union Ministry of Panchayati Raj, agree to accord priority to the following points:

- (a) Afresh national impetus has been given to the devolution of powers and responsibilities through the Seven Round Tables of State Ministers of Panchayati Raj which arrived by consensus, at 150 recommendations pertaining to 18 dimensions of Panchayati Raj. The Government of Goa will address itself with all deliberate speed to these recommendations and review the same regularly. Quarterly reports will be furnished to the Ministry of Panchayati Raj with regard to the status of implementation.
- (b) In fulfilment of the devolution of powers, responsibilities and activities under the Goa Panchayat Raj Act 1994, Goa has already commenced the process of examination of all Schemes of the Government, aimed at effectively devolving functions, funds and functionaries to Panchayats. Goa undertakes to complete this process and issue the necessary notifications transferring schemes based on Activity Mapping by September 2006. The Activity Map will be released by the Goa Government in the presence of the Chief Minister and the Union Minister of Panchayati Raj by September 2006.
- (c) For effectively performing the functions devolved to them through Activity Mapping, the Panchayats would need a matching transfer of funds in respect of the devolved functions. This will require creation of a Panchayat Sector in the State Budget for each department to entrust schemes pertaining to the activities devolved to the Zilla and Gram Panchayats in accordance with the Activity Map. The Government of Goa undertakes to commence taking steps in this direction so as to operationalise Activity Mapping, through transfer of funds for schemes entrusted to Panchayats during 2006-07.
- (d) Matching the transfer of functions and finances to the Zilla and Gram Panchayats, the technical and administrative staff required to implement such entrusted schemes will also be placed at the disposal of the Panchayats concerned

- (e) For Panchayats to effectively plan and implement the functions that have been devolved upon them it is necessary that funds pertaining to these schemes are transferred to them without delay or diversion. As part of this process, the Government of Goa agrees to put in place systems that are capable of tracking transfers of funds to Panchayats, both through Banks and treasuries, preferably, electronically.
- (f) Grants-in-Aid given to the Panchayats for Infrastructure development will be devolved to them as block grants to them on the basis of agreed norms.
- (g) In Goa, Gram Panchayats are raising substantial local taxes. There is a need to encourage all Gram Panchayats to levy taxes and user charges as empowered under the Goa Panchayat Raj Act. Panchayats will be permitted to levy, collect and appropriate such taxes, collected by them at their level in terms of Article 243 H of the Constitution, without any restriction or delay. In enabling them to do so, the State agrees to undertake relevant reforms to the taxation provisions.
- (h) For the effective performance of functions devolved to Panchayats, it is necessary that the functionaries concerned with them be accountable to Panchayats. The Government of Goa commits itself to further strengthening this process, so that all employees concerned are accountable to Panchayats.
- (i) Detailed operational guidelines will be issued to ensure effective bottom up participative planning through Gram and Zilla Panchayats.
- (j) Detailed operational guidelines will also be issued for the consolidation of Gram and Zilla Panchayat and Municipal plans into the Draft District Development Plan by the District Planning Committees, in accordance with Article 243-ZD of the Constitution. This will be done so as to ensure that the Eleventh Five Year Plan of the State beginning with the Annual Plan for 2007-08, is built through a participative bottom up process at each Panchayat level, involving the Gram Sabha and - the Panchayats.
- (k) The laws and regulations relating to environment and spatial planning, such as town planning regulations, would be examined to provide a clear role for Panchayats in local land use planning.

- (I) The Government of Goa and the Union Ministry of Panchayati Raj commit themselves to continuing consultation with each other on the modalities of eventual merger of DRDAs with the Zilla Panchayats.
- (m) The effective and transparent functioning of Panchayats depends to a large degree on the intensity and quality of participation of all elected members in activities of the Panchayats. This is best done through strengthening Standing Committees at the Panchayat level, which are given a degree of flexibility and are held accountable for the performance of specific assigned functions. The State undertakes to take up training programmes for Standing Committees constituted under the Goa Panchayati Raj Act, 1994 which will be oriented to the responsibilities of the Committees concerned. The district and sub-district level bureaucracy will be entrusted with the responsibility for the hands on training of members of the Standing Committees.
- (n) At the Gram Panchayat level, various sub-committees of the Gram Sabha dealing with matters such as education, health, mid-day meals, women and child welfare, agriculture and animal husbandry, PWD works and other subjects listed in the Eleventh Schedule of the Constitution will be harmonized with the Panchayats so that there is an organic linkage and synergy between them.
- (o) The Government of Goa will consider constituting Disaster Management Committees within every Panchayat to provide effective first response in times of calamities or crisis. In order to provide immediate relief the Government would consider favourably the provision of funds, which can be reimbursed from a revolving Calamity Relief Fund.
- (p) Gram Sabhas will be strengthened, through providing them powers with respect to:
  - (i) Selection of beneficiaries,
  - (ii) approval of plans, programmes and schemes,
  - (iii) authorization of utilization certificates, and
  - (iv) conduct of social audit.
- (q) There is a need for constituting Sabhas below the Gram level at the Ward level with the objective of deepening peoples' participation in

local decision making. Goa would examine the modalities of implementing this system, keeping in mind best practices from other States.

- (r) In order to build capacity and leadership among categories for whom seats are reserved, Goa shall consider favourably, extending the period of the reservation cycle from one to two or more terms.
- (s) A compendium of the Panchayati Raj legislation and rules and all important circulars and instructions would be prepared in the local language and widely circulated among all elected representatives of Panchayats and officials.
- (t) The Government of Goa will mobilize the Village and Zilla Panchayats to forward proposal to the Union Ministry of Panchayati Raj to establishing at least one Rural Business Hubs in each block to promote at least one product or skill in each Block through a partnership between the local Panchayat(s) and business houses identified by the Confederation of Indian Industry and other interested entrepreneurs.

5. The Union Ministry of Panchayati Raj agrees to support the Government of Goa with technical assistance in undertaking further Panchayati Raj reform including Activity Mapping and Fiscal devolution.

6. The Union Ministry of Panchayati Raj will pursue the establishment of a capacity and infrastructure development window—Gram Swaraj—so as to provide support to Panchayats to strengthen their administration. The Union Ministry of Panchayati Raj shall assist the Government of Goa in capacity building and training of elected representatives and officials of Panchayats. This may include support to the Goa State Institute of Rural Development for faculty and resource persons for training and exposure visits to other States for Panchayat members, trainers and officials.

7. The Union Ministry of Panchayati Raj undertakes to assist the Government of Goa in creating awareness among the youth and the student community, women, aspirants to office in Panchayati Raj Institutions and elected representatives of the significance of Panchayati Raj. To this end, it would assist in conducting orientation and training of persons aspiring to posts in Panchayats, particularly youth and women and pre-election voter education campaigns.



8. The Union Ministry of Panchayati Raj shall support the development of Rural Business Hubs (RBHs) through Public-Private-Panchayat Partnerships, so as to upgrade local skills and products and find markets for them. The effort would particularly be on RBHs focusing on rural tourism, organic farming, food processing, handicrafts, horticulture, floriculture, micro-hydel and other renewable energy technologies.

9. The Union Ministry of Panchayati Raj undertakes to provide technical assistance to Goa to build capacity of Panchayats to undertake the obligations of the recording and preserving of bio-diversity in their areas, as mandated by the National Biodiversity Act.

10. The Ministry of Panchayati Raj will pursue the devolution of Central funds through united block grants and systemic reform of Centrally Sponsored Schemes, including the establishment of a Panchayat Empowerment Incentive Fund to bring these in conformity with the constitutional provisions for good governance at the district and village levels as set out in Part IX read with the relevant articles of Part IX A.

Sd/-

Shri Mani Shankar Aiyar,  
Union Minister for  
Panchayati Raj and Youth  
Affairs & Sports.

Shri Pratapsingh Raoji  
Rane,  
Chief Minister,  
Goa

### **Funds to States for Panchayati Raj Institutions**

†185. MISSANUSUIYAUKEY: Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the funds have been disbursed to the States as per the recommendation of Twelfth Finance Commission;
- (b) if so, the funds Madhya Pradesh will receive for the year 2005-06 for three tier Panchayati Raj Institutions;
- (c) the details of the funds released out of the same; and
- (d) by when the remaining amount would be released?

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†Original notice of the question was received in Hindi.